Sweeping changes in company law

1389. SHRI K. RAMA MOHANA RAO: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that J.J. Irani Committee has recommended that one third of the Directors on the Board of Listed Companies should be independent Directors;

(b) whether it is also a fact that the Committee has *inter-alia* recommended for sweeping changes in the Company Law to make it simpler and provide single window clearance mechanism for mergers; and

(c) what are the other major recommendations made by the Committee?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) The Committee on New Company Law headed by Dr. J.J. Irani submitted its Report to the Government on 31-05-2005. The recommendation regarding the number of independent directors contained in para 8.2 of Chapter IV of the said Report reads as under:—

> "8.2 In general, in view of the Committee a minimum of one third of the total number of directors as independent directors should be adequate for a company having significant public interest, irrespective of whether the Chairman is executive or non-executive, independent or not. In the first instance this requirement should be extended to public listed companies and companies accepting public deposits. The requirements for other types of companies may be considered in due course."

(b) Yes, Sir.

(c) The report submitted by Dr. J.J. Irani covered a wide range of issues including registration of companies, management and board governance, investor protection, access to capital, accounts and audit, mergers and acquisitions, investigation, offences and penalties and

restructuring and liquidation etc. The report of the Committee is on the website of the Ministry ***w.w.w.dca.nic.in.***

MNCs offices in Bangalore

1390. SHRIMATI PREMA CARIAPPA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) how many MNCs including foreign companies have set up their offices in Bangalore during the last three years;

(b) whether these MNCs ever approached Government asking for some facilities/concessions for setting up their business conveniently;

(c) what facilities/concession have been extended to them in this regard so far;

(d) whether these companies have expressed their satisfaction with whatever Government have done to help them in the matter; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) The details of foreign companies which have established their place of business in Bangalore for the last three years are as under:

2002-2003	17
2003-2004	31
2004-2005	20

Regarding MNCs, there is no specific information as they are not defined under the Companies Act, 1956, Foreign Exchange Management Act (FEMA) or Foreign Exchange Regulation Act (FERA).

(b) to (e) The information is not readily available and will have to be collected.

Action against vanishing companies

1391. SHRI VEDPRAKASH P. GOYAL: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government are targeting vanishing companies;